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## Norway

## Oilseeds and Products

## Annual

## 2002

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### Report Highlights:

**Because of its highly restrictive GMO policy, Norway continues to deny import of genetically modified soybeans and to source soybeans from Brazil. The U.S., as a result, is losing out on potential annual sales of an estimated \$ 80 million.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
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## **Executive Summary**

2001 was the second year the crusher Denofa was able to fully utilize its newly expanded soybean crushing capacity. However, U.S. exporters -- who have traditionally had about a 60 percent market share -- continue to be excluded from this expanding market due to domestic Norwegian concerns about biotechnology. For the foreseeable future, this situation is unlikely to change and Norway continues to source from Brazil. Denofa also rented a crushing plant in Brazil, in order to supply its expanding customer demand for non-GMO products. However, this project was discontinued in 2002, as it did not meet Denofa's expectations.

The increased 390,000MT capacity of Norway's sole soybean crusher, Denofa, relies upon the demand for non-GMO products, particularly in the EU. It has enabled Norway to increase export of soy products. In CY 2001, Norway exported 22,000 MT of soy oil, mainly to EU.

The U.S. continues to supply Norway with fish oil to cover its deficit in fish oil used in the production of hardened marine fats for export. The U.S fish oil exports to Norway amounted to 22,800 MT in 2001. Due to Norway's large fish farming and lack of catches and quotas in the sea, an increased import need for fish oil is anticipated.

**Total Oilseed.****General Soybeans.**

The Norwegian crusher Denofa was able to fully utilize its new crushing capacity for the second year in a row. Denofa reports that it crushed 389,000 MT of soybeans in 2001. Its production is exclusively on non-GMO Brazilian beans as government regulations continue to prohibit import of genetically engineered soybeans. This has resulted in a yearly loss for U.S. suppliers of an estimated \$60 million annually, considering that before the GMO ban the U.S. had about a 70 percent share of the Norwegian market.

**Import Market**

Denofa's last imports of beans from the U.S. occurred in 1996, when GMO beans came on the market. In 1996, Denofa applied for a license to import beans from the U.S., but the Norwegian government's tolerance for GMO content in soybeans is zero. During the succeeding few years, Denofa covered its need for non-GMO beans with supplies from Canada and Brazil. However, commencing in 1999, Denofa has sourced beans entirely from Brazil.

In Brazil, Denofa has entered into contract growing arrangements whereby Denofa can monitor operations from seed and bean production to storage and shipment. It had 400,000 MT of storage available there and segregated space at port facilities. Business contacts in this market have been assiduously developed over the past year. Denofa also rented a crushing plant in Brazil in an effort to cover increased customer demand for GMO free products. However, this arrangement proved to be unsatisfactory and it was discontinued beginning in 2002.

Denofa reports that although it has received offers for identity-preserved conventional beans from the U.S., cost factors continue to hamper the more serious consideration of such offers.

In 2001, Norway imported a total of 389,000 MT of soybeans, which is about 6 percent less than last year and in line with Denofa's crushing capacity.

**Total Meals****General, Soybean meal**

The domestic production of meal amounted to 309,000 MT in 2001, about the same level as in 2000. Of this amount, about 100,000 MT is used by Denofa for production of its "Soypass," a protein utilization-enhancing feed product for cows. It is expected that the demand for soypass will remain at this level given the ban on the use of bonemeal for cattle feed.

**Export Markets**

According to Denofa, interest in its GM-free soybean meal is increasing and such interest originates

from unexpected countries. In 2000 and 2001, meal was sold to about 10 different countries which normally do not purchase meal from Norway previously, Norway only exported to its neighbours, Sweden, Finland and Denmark. However, Sweden is still the largest customer with imports of 62,000 MT of Norwegian meal in 2001. Despite the fact that the average price for Norwegian soybean meal has increased by about 35 percent, interest is high. Norway is selling meal based on Denofa's guarantees that its meal is free from GMOs and Salmonella. In 2001 the average export price for Norwegian meal was about US\$ 215 MT.

### **General Fish Meal**

In 2001, the production of fish meal was at about the same level as in 2000 and reached a total of 237,000 MT. For the Norwegian fishmeal factories along the Norwegian coast, this was not a good result in view of the increasing demand for fish meal both domestically as well as for export. The main species caught for production were blue whiting and sandeel as well as capelin fish. Fish used for the production of meal accounted for about 43 percent of all Norwegian catches in 2001. The majority of fish meal produced each year goes to the fish farming industry.

### **Import/Export**

Norway's fishmeal imports decreased by 22 percent in 2001. The main suppliers of fishmeal to Norway in 2001 were Peru and Iceland. Norwegian exports of fishmeal amounted to about the same level as in 2000. Norway's main customers for this product have been the United Kingdom and Denmark. Significant changes in this pattern would not likely occur unless the Norwegian fish farming expands considerably. The average export price for fishmeal from Norway in 2001 was about \$554 MT, while the average import price was \$585 MT.

### **Total Oils**

#### **General Soybean Oil**

Norway continues to rely on soybean oil for about 95 percent of the combined food oil needs of consumers and the food processing industry. Because of Norway's present aversion to GMO-containing products, there has been concern within the Norwegian food processing industry about continuing use of soybean oil in its formulas. However, as long as Denofa can guarantee GMO-free soybean oil and price differentials do not become too substantial, the current pattern of soybean oil use is unlikely to change significantly. The Norwegian crusher is also protected by a duty of 14.4 percent on imported oils. The Norwegian government currently requires that all products containing ingredients with more than a 2 percent GMO content, must be approved by the Norwegian authorities and also labeled before entering the market. Both the Norwegian regulatory system and perceived consumer opinion have kept GMO-containing products off of the market.

### **Import/Export**

With Denofa's additional crushing capacity, Norway became an exporter of soybean oil of some quantity for the first time in CY 2000. Previously, it would have been difficult for Norwegian soybean oil to compete with oils from other countries. However, with the current demand for GMO-free soy oil in Europe, Denofa receives premium prices. In fact, Denofa cannot meet the demand from some customers in other countries. The average export price paid for Norwegian soybean oil in CY 2001 was about \$398 MT.

### **General Fish Oil**

Catches for reduction and the production of fish oil in Norway have been stable while demand for fish oil has been rising yearly. Norway currently has 12 fish oil producing factories in locations which are dispersed along the long Norwegian coastline.

### **Import/Export**

Norway is presently the world's largest exporter of hardened marine fats. Exports of hardened marine fats by Norway in CY 2001 were at about the same level as in CY 2000, deficit in domestic supply for its hardened marine fats production requirements, Norway continues to import large quantities of fish oil. Norway imported 246,661 MT in CY 2001. Peru continues to be the most significant supplier of fishoil to Norway followed by Iceland, Denmark and the U.S. The U.S. more than doubled its sales to Norway in CY 2001 with a volume of 22,800 MT. The U.K. was again by far the largest customer for Norwegian fish oil in CY 2001, while U.S. imports of Norwegian fish oil dropped to 1,301 MT.

## Statistical Section

### PSD Tables and Matrixes

PSD Table						
Country	Norway					
Commodity	Oilseed, Soybean			(1000 HA)(1000 MT)		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	5	5	5	4	5	11
Production	0	0	0	0	0	0
MY Imports	320	389	400	400	0	400
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	10	0	10	0	0	0
TOTAL SUPPLY	325	394	405	404	5	411
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	317	390	397	393	0	400
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	3	0	3	0	0	0
TOTAL Dom. Consumption	320	390	400	393	0	400
Ending Stocks	5	4	5	11	0	11
TOTAL DISTRIBUTION	325	394	405	404	0	411
Calendar Year Imports	320	389	400	400	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	Norway		
Commodity	Oilseed, Soybean		
Time period	CY	Units:	Metric tons
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Brazil	408025	Brazil	382206
Netherlands	5771	Netherlands	3011
Total for Others	413796		385217
Others not Listed	38		3408
Grand Total	413834		388625

PSD Table						
Country	Norway					
Commodity	Meal, Soybean			(1000 MT)(PERCENT)		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Crush	317	390	397	393	0	400
Extr. Rate, 999.9999	0.788644	0.792308	0.788413	0.788804	ERR	0.7875
Beginning Stocks	15	9	9	40	15	45
Production	250	309	313	310	0	315
MY Imports	9	23	10	5	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	3	3	3	0	0	0
TOTAL SUPPLY	274	341	332	355	15	360
MY Exports	155	101	172	120	0	130
MY Exp. to the EC	155	101	172	120	0	130
Industrial Dom. Consu	0	0	0	0	0	0
Food Use Dom. Consu	0	0	0	0	0	0
Feed Waste Dom. Cons	110	200	145	190	0	190
TOTAL Dom. Consum	110	200	145	190	0	190
Ending Stocks	9	40	15	45	0	40
TOTAL DISTRIBUTION	274	341	332	355	0	360
Calendar Year Imports	9	23	10	5	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0



Calendar Year Exports	160	101	160	120	0	130
Calndr Yr Exp. to U.S.	0	0	0	0	0	0
Export Trade Matrix						
Country	Norway					
Commodity	Meal, Soybean					
Time period	CY	Units:	Metric tons			
Exports for:	2000		2001			
U.S.		U.S.				
Others		Others				
Sweden	83378	Sweden	61561			
United Kingdom	20111	United Kingdom	11653			
Switzerland	13638	Switzerland	11527			
Germany	13693	Germany	11104			
Denmark	1705	Denmark	3125			
Finland	9212	Finland	1487			
Total for Others	141737		100457			
Others not Listed	2414		659			
Grand Total	144151		101116			

Import Trade Matrix			
Country	Norway		
Commodity	Meal, Soybean		
Time period	CY	Units:	Metric tons
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Netherland	3823	Brazil	21998
Total for Others	3823		21998
Others not Listed	1598		1147
Grand Total	5421		23145

PSD Table						
Country	Norway					
Commodity	Oil, Soybean			(1000 MT)(PERCENT)		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Crush	317	390	397	393	0	400
Extr. Rate, 999.9999	0.179811	0.197436	0.178841	0.198473	ERR	0.2
Beginning Stocks	11	10	10	6	10	2
Production	57	77	71	78	0	80
MY Imports	5	0	5	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EC	2	0	2	0	0	0
TOTAL SUPPLY	73	87	86	84	10	82
MY Exports	8	22	7	20	0	18
MY Exp. to the EC	1	0	1	0	0	0
Industrial Dom. Cons	4	4	4	4	0	4
Food Use Dom. Cons	50	50	64	50	0	50
Feed Waste Dom.Co	1	5	1	8	0	8
TOTAL Dom.Consu	55	59	69	62	0	62
Ending Stocks	10	6	10	2	0	2
TOTAL DISTRIBUTION	73	87	86	84	0	82
CY Imports	5	0	5	0	0	0
CY Imp. U.S.	0	0	0	0	0	0
CY Exports	8	22	7	20	0	18
CY Exp. to U.S.	0	0	0	0	0	0

Export Trade Matrix			
Country	Norway		
Commodity	Oil, Soybean		
Time period	CY	Units:	Metric tons
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Sweden	8937	Sweden	15707
Germany	6298	Germany	1009
Netherlands	5727		
Morocco	3385		
United Kingdom	1105		
Total for Others	25452		16716
Others not Listed	4068		5703
Grand Total	29520		22419

PSD Table						
Country	Norway					
Commodity	Meal, Fish			(1000 MT)(PERCENT)		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Catch For Reduction	1050	1127	1050	1100	0	1100
Extr. Rate, 999.9999	0.266667	0.210293	0.266667	0.209091	ERR	0.209091
Beginning Stocks	46	36	36	23	36	28
Production	280	237	280	230	0	230
MY Imports	150	143	150	150	0	155
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	70	47	70	70	0	80
TOTAL SUPPLY	476	416	466	403	36	413
MY Exports	140	83	140	80	0	80
MY Exp. to the EC	150	80	150	80	0	80
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	300	310	290	295	0	310
TOTAL Dom. Consumption	300	310	290	295	0	310
Ending Stocks	36	23	36	28	0	23
TOTAL DISTRIBUTION	476	416	466	403	0	413
Calendar Year Imports	150	143	150	150	0	155
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	155	83	155	80	0	80
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Export Trade Matrix			
Country	Norway		
Commodity	Meal, Fish		
Time period	CY	Units:	Metric tons
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
United Kingdom	32343	United Kingdom	27318
France	11200	France	3094
Denmark	14708	Denmark	15430
Ireland	4867	Spain	3701
Greece	9309	Germany	7458
		Greece	18237
Total for Others	72427		75238
Others not Listed	13721		8131
Grand Total	86148		83369

Import Trade Matrix			
Country	Norway		
Commodity	Meal, Fish		
Time period	CY	Units:	Metric tons
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Denmark	49324	Denmark	46999
Iceland	74717	Iceland	75688
Peru	54419	Peru	14783
Total for Others	178460		137470
Others not Listed	6493		5728
Grand Total	184953		143198

PSD Table						
Country	Norway					
Commodity	Oil, Fish			(1000 MT)(PERCENT)		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2000		01/2000
Catch For Reduction	1050	1127	1050	1100	0	1100
Extr. Rate, 999.9999	0	0.058563	0	0.054545	ERR	0.054545
Beginning Stocks	0	39	0	52	0	33
Production	0	66	0	60	0	60
MY Imports	0	246	0	230	0	230
MY Imp. from U.S.	0	23	0	20	0	20
MY Imp. from EC	0	67	0	70	0	70
TOTAL SUPPLY	0	351	0	342	0	323
MY Exports	0	73	0	80	0	80
MY Exp. to the EC	0	40	0	40	0	40
Industrial Dom. Consum	0	1	0	1	0	1
Food Use Dom. Consump.	0	20	0	20	0	20
Feed Waste Dom. Consum	0	205	0	208	0	210
TOTAL Dom. Consumption	0	226	0	229	0	231
Ending Stocks	0	52	0	33	0	12
TOTAL DISTRIBUTION	0	351	0	342	0	323
CY Imports	0	246	0	230	0	230
CY Imports. U.S.	0	0	0	0	0	0
CY Exports	0	73	0	80	0	80
CU Exports. to U.S.	0	0	0	0	0	0

Export Trade Matrix			
Country	Norway		
Commodity	Oil, Fish		
Time period	CY	Units:	Metric tons
Exports for:	2000		2001
U.S.	2428	U.S.	1301
Others		Others	
United Kingdom	29956	Denmark	2653
France	4068	France	3034
Netherlands	9711	Netherlands	5582
Spain	992	United Kingdom	19491
		Spain	2950
Total for Others	44727		33710
Others not Listed	51183		38489
Grand Total	98338		73500

Import Trade Matrix			
Country	Norway		
Commodity	Oil, Fish		
Time period	CY	Units:	Metric tons
Imports for:	2000		2001
U.S.	10452	U.S.	22800
Others		Others	
Denmark	36838	Denmark	48559
Chile	1892	Chile	13046
Iceland	31504	Iceland	54658
Morocco	4065	Morocco	10663
Peru	147457	Peru	72699
		Netherlands	19159
Total for Others	221756		218784
Others not Listed	2190		4077
Grand Total	234398		245661

